

MEMORANDUM FOR THE RECORD:

SUBJECT: Bonding of Certain Agency Employees

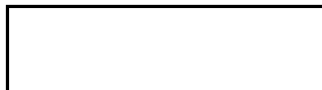
1. In accordance with a note placed on an official routing slip by the Office of the Deputy Director (Support), an appointment was made with Mr. Cannon, Chief Disbursing Officer, U.S. Treasury, to ascertain the premium cost paid by other government agencies for a comparable bond coverage. In reviewing Treasury's records on bond coverage by other government departments and agencies, it was not possible to make comparisons, as the bonding companies submitted bids on an over-all basis for each agency, and the costs were not broken down by position titles or amounts covering each position. However, Mr. Cannon made telephone calls to several agencies and obtained the following information on bond premium cost per thousand per annum:

Federal Housing .65 per thousand per annum.
Veterans Administration .412 per thousand per annum.
International Cooperation Administration .51 per
thousand per annum (both domestic and foreign).


2. The lowest bid submitted by the Indemnity Insurance Company of North America through the McLaughlin Company by Mr. T. S. Clark, Manager, Bond Department, amounts to .54 per thousand for domestic and .72 per thousand for foreign per annum.

3. It was not possible to get any breakdown on bond premium costs paid by State Department, since the bond premium was stated in the total amount for all of State's some 22,000 employees.

4. Due to the type and nature of this Agency's operations, the domestic rates appear to be in line with that paid by other government agencies, however, the foreign rate seems a little high which may be due to the fact that no information about foreign operations is submitted to the bonding company.



E. R. SAUNDERS
Comptroller

cc:  Counsel
BA/DES

DOC	40	REV DATE	12/05/81	BY	018995
ORIG COMP		OPI	38	TYPE	01
ORIG CLASS	4	PAGES	1	REV CLASS	U
JUST		NEXT REV		AUTH	HR 70-2

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